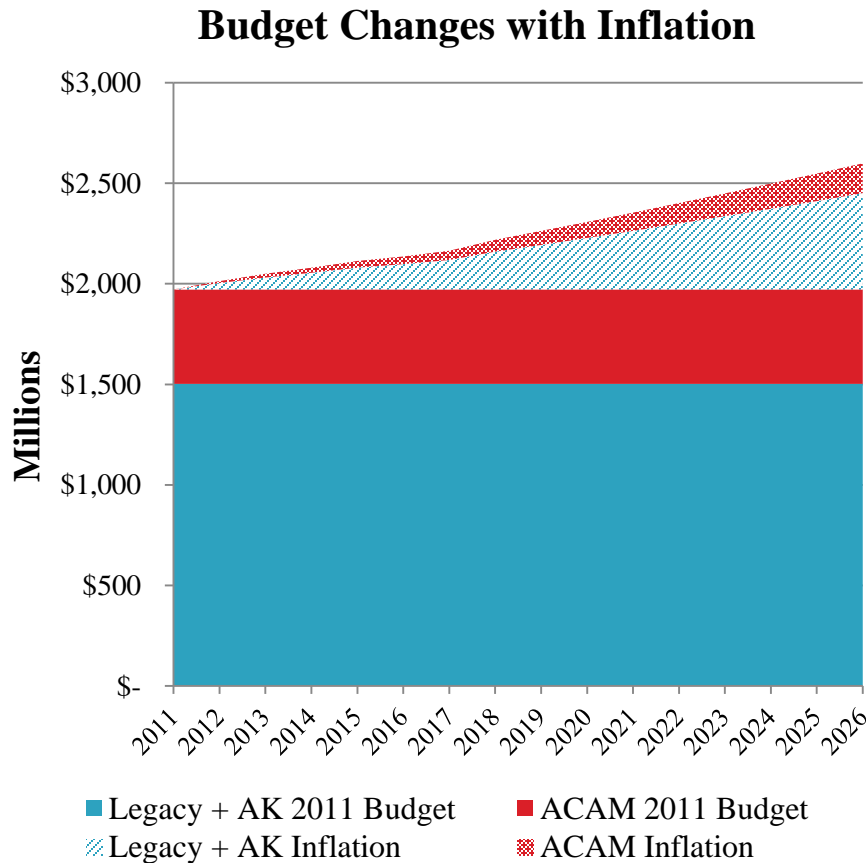


Funding A-CAM up to \$200/Location Can Be Accomplished with Minimal Budget Impact

**Ken Pfister, Great Plains Communications
Wendy Thompson Fast, Consolidated Companies
Carol Matthey, Matthey Consulting LLC**

August 16, 2018

A-CAM Share of Inflation Increase More than Amount Needed to Fund \$200/Location



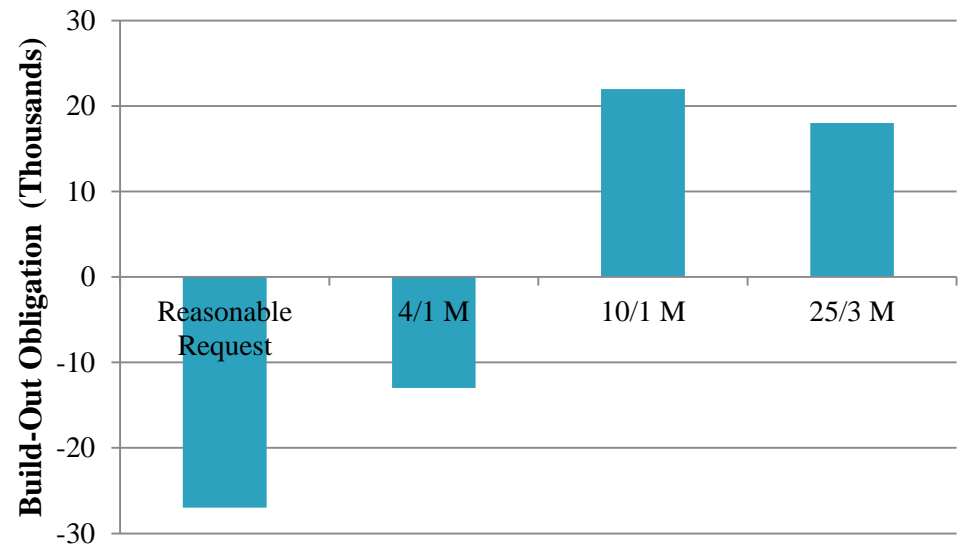
- Assuming inflation consistent with historical average, A-CAM share more than necessary to fund up to \$200 per location
- FCC can decide how to allocate excess
- “Any increase in the budget attributable to those carriers now receiving A-CAM could help fully fund the original offer at the \$200/location cap . . . ” *NPRM, para. 110.*

Prospective Inflation Rate	ACAM Share of Inflation Increase (avg over 15 years) (Millions)	Excess over Needed Increase in A-CAM Budget (Millions)
1.5%	\$ 66	\$0
1.7%	\$ 69	\$3
2.0%	\$ 73	\$7
2.5%	\$ 80	\$14
3.0%	\$ 87	\$21

Increasing A-CAM Funding to Account for Inflation Will Have Immediate Positive Impacts

- Specific, quantifiable additional deployment, contributing to GDP growth in affected areas
- Increasing funding to \$200/ location significantly benefits US economy, particularly economies of states that receive relatively larger amounts of additional funding
- Empirical evidence shows broadband access in rural areas critical to the agricultural economy*

Change in Build-Out Obligation
from \$146.10/Location to \$200.00/Location



*University of Nebraska - Lincoln, "Nebraska Rural Poll, A Research Report: Economic Development in Nonmetropolitan Nebraska: Internet Use, Nature-Based Tourism, Federal Tax Policy and Workforce Development," at ii, available at <https://ruralpoll.unl.edu/pdf/18economicdev.pdf> (persons with occupations in agriculture are the group most likely to need internet to generate income by running and growing a home-based business; half of those working in agriculture sector generate income from the Internet by making the family farm more efficient and/or profitable).

Benefits to Agricultural Economy

“Our bull sales are held at the ranch, which is 2 miles south of Whitman, Nebraska. Whitman is a town with a population of less than 25.

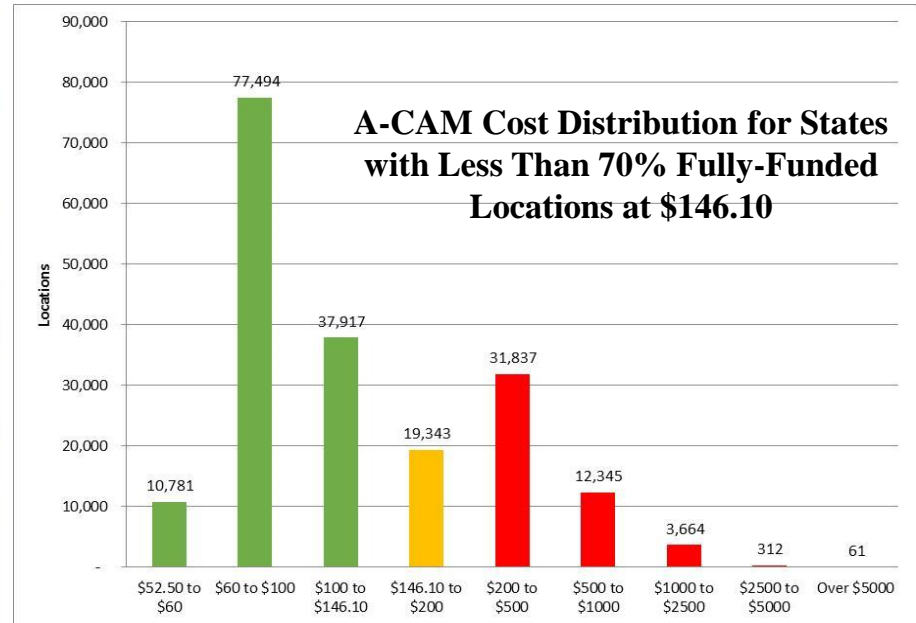
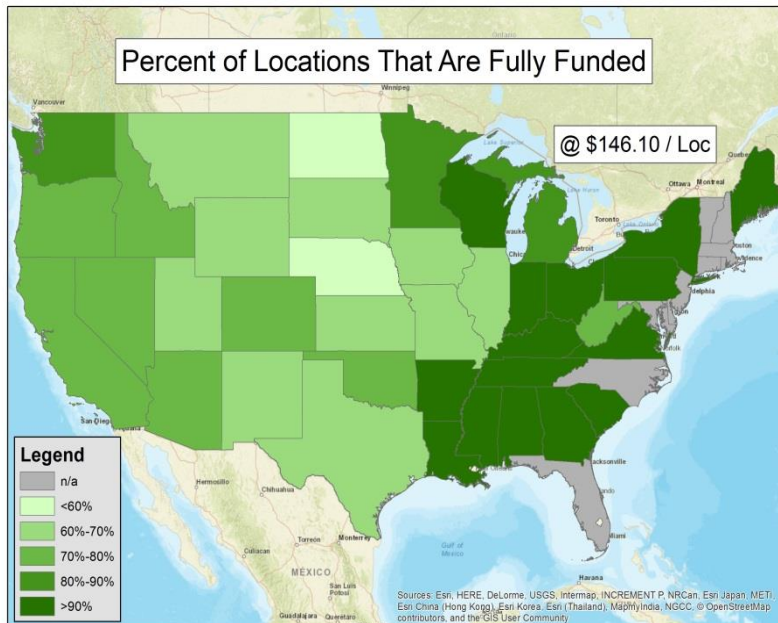
At our spring bull sale, we typically sell around 500 bulls, and 275 at our fall sale. We sell bulls across the United States, as well as internationally. The ability to offer off-site bidding is extremely important to these sales, as some buyers aren't able to attend the sale due to busy schedules on their ranches, inclement weather, or some have told us that they would just rather stay home and bid from the privacy of their home or office. One Russian meat company buys over 40 bulls each year over the internet. This representative never attends sales where he buys animals – it is always online or by phone.



With new higher speed services at our sale site, we have seen marked improvement in our ability to transact business during an extremely busy few hours.”

**Sharon Connealy (Connealy Angus) –
Whitman, Nebraska**

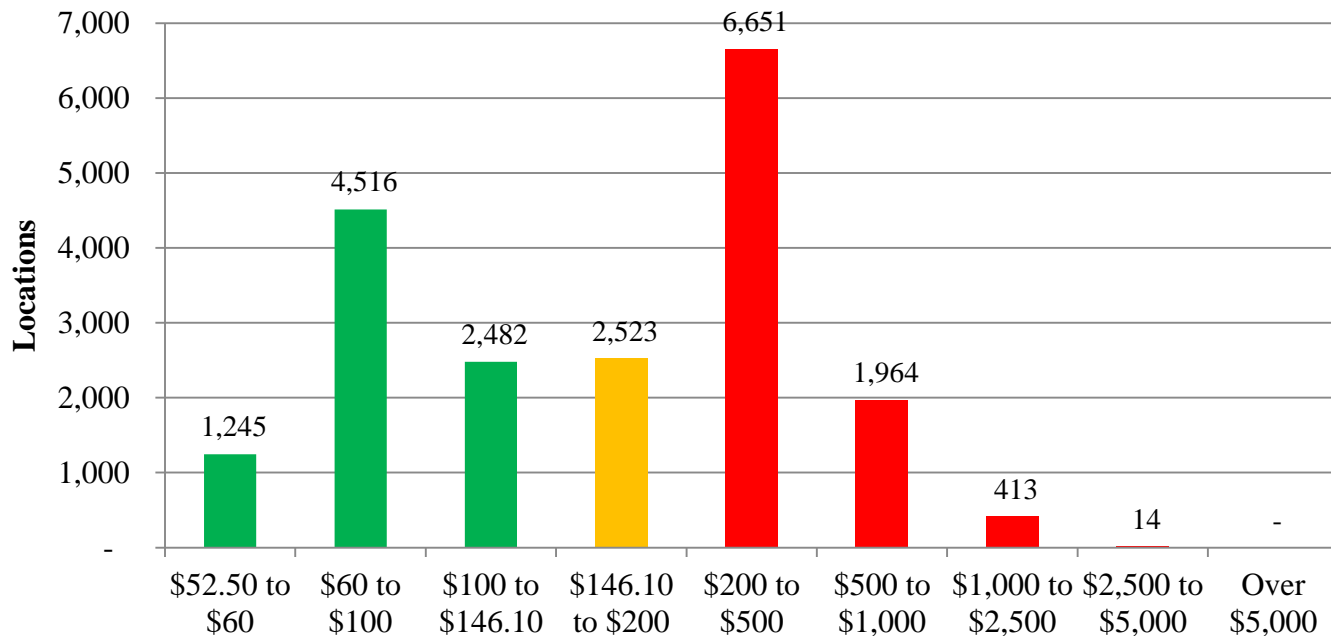
A-CAM Inflation Adjustment Will Increase Number of Fully Funded Locations Nationwide



- Current funding levels result in geographic disparity in opportunity
- Increasing support up to \$200/location will be a measured step
- Even at \$200/location, many locations remain that will only be partially funded

Even at \$200/Location, Many Nebraska A-CAM Locations Are Only Partially Funded

**A-CAM Cost Distribution
for Great Plains and Consolidated**



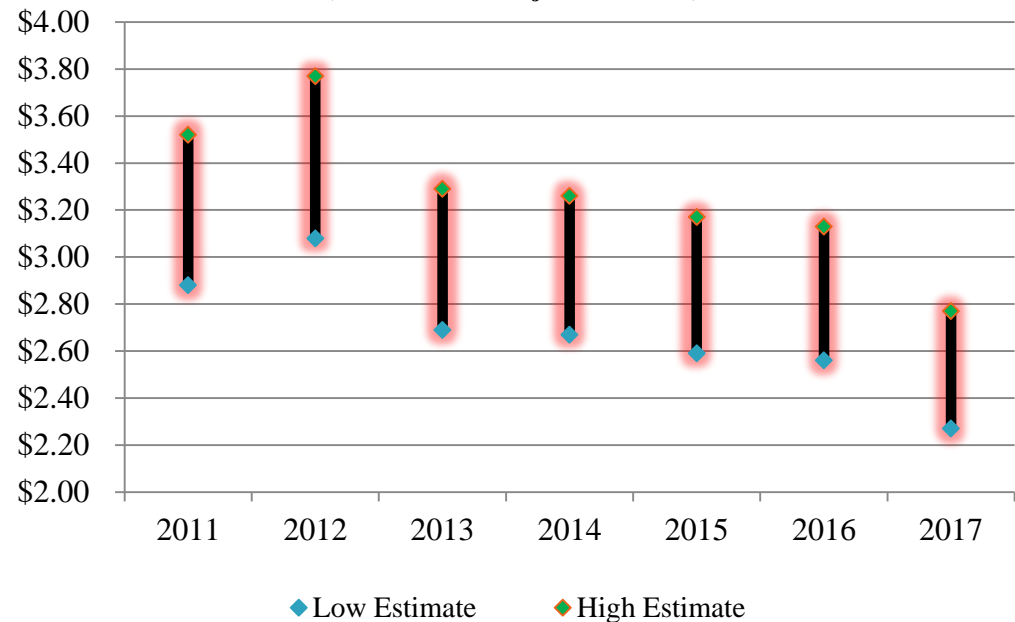
46% of the locations are partially funded

Additional Funding for A-CAM Companies Will Have Minimal Contributions Impact

- Overall burden of universal service contributions to support high-cost areas has declined 14% since the original high-cost budget was established
- Impact of increasing A-CAM funding up to \$200/eligible location = two cents per month on residential bills



**Monthly Universal Service Contributions
Per Residential Household ***
(2015 Inflation Adjusted Dollars)



* Federal and State Staff for the Federal-State Joint Board on Universal Service, *Universal Service Monitoring Report*, Table 1.12 (rel. Apr. 13, 2018)

Benefits of New A-CAM Deployment

“High speed Internet from Great Plains Communications allows me to VPN to my business locations. This helps me serve customers on the weekends and evenings, with the ability to access everything that I do in the office at home. This gives me more flexibility for my customers, and my family.

I have four children who are in school. They all have some form of online school work to accomplish daily. With the new service, they can upload and download without dropping the connection, no matter what the weather is like. Prior to this service availability, we were only able to subscribe to satellite Internet service, and the connection would go out a lot. I also dealt with expensive data cap overages. Now with this service, we can enjoy programs without buffering, losing our connection or paying overage charges.”

Joe Bob Atkins (insurance company owner) - Arnold, Nebraska



Benefits of New A-CAM Deployment

“It is not an understatement to say that fiber optic internet has greatly improved our lives. It goes far beyond a matter of convenience or entertainment. Up until this past fall, we were unable to conduct the simplest of business transactions with our old copper line service. Computers had to be taken to public Wi-Fi hotspots to get regular updates, the children couldn’t use their school-provided surfaces for homework, and we were unable to do anything other than the simplest of online transactions.

We have a small business (cattle ranch) and three school-aged children and are 30 miles from the nearest stores. Now that we have high speed internet, we are all able to use our devices at the same time, our computers work properly, we can subscribe to delivery services, and we are able to stay connected to our industry, lives and school. Fiber optic internet has changed our lives significantly for the better. THANK YOU!”

Martin and Bree Denaeyer – Brownlee, Nebraska (population 15 and location of “Bortle 1” sky)



Benefits of New A-CAM Deployment

“It was amazing what our new service did for the 2017 Cattlemen’s Ball of Nebraska. It made all the difference for our ball raising the money we did. Bringing high speed internet to our remote location helped us so much in reaching out to people that could not attend the ball. This let them participate in some of the auctions, raising over a million dollars for cancer research.

By having this high speed connection, we have added 3 extra lines to our ranch. It has made a world of difference with our cattle auctions, we sell online with video, and it makes it so easy and without worry.”

Jeff and Lisa Johnson (Hosts of 2017 Cattlemen’s Ball) – Anselmo, Nebraska

